



To enhance mission performance, TSA is committed to promoting a culture founded on its values of Integrity, Innovation and Team Spirit.

NOTE: Pursuant to Section 101 of the Aviation and Transportation Security Act (49 U.S.C. 114(n)), this directive and the accompanying Handbook establish Transportation Security Administration (TSA) policy and supersedes Federal Aviation Administration (FAA) orders, policies, and guidance regarding Severance Pay issued under the FAA Personnel Management System. This directive is TSA policy and must be applied accordingly.

REVISION: This revised directive supersedes TSA MD 1100.55-4, *Severance Pay*, dated November 30, 2009.

SUMMARY OF CHANGES: Section 2, Scope, was revised to clarify coverage of the directive; Section 4, Definitions, was revised to add definitions for terms used in the directive that were previously included only in the Handbook (Procedures); Section 5, Responsibilities, was changed to clarify responsibility for making severance pay eligibility determinations; and Section 6, Policy, was changed to clarify the types of separation actions which may make an employee eligible to receive severance pay and the conditions that may affect eligibility.

1. **PURPOSE:** This directive provides TSA policy and procedures for the payment of severance pay to a TSA employee involuntarily separated for reasons other than inefficiency, as defined in this directive and the accompanying Handbook.
2. **SCOPE:** This directive applies to all TSA employees who meet the requirements of this directive to qualify for severance pay.
3. **AUTHORITIES:** The Aviation and Transportation Security Act, Pub. L. 107-71 (ATSA).
4. **DEFINITIONS:** Additional definitions are found in the accompanying Handbook.
 - A. Commuting Area: The geographic area surrounding a work site that encompasses the localities where people live and reasonably can be expected to travel back and forth daily to work as established by TSA.
 - B. Employee: An employee of the TSA.
 - C. Immediate Annuity:
 - (1) A recurring benefit payable under a retirement system applicable to a Federal civilian employee or member of the uniformed services that the individual is eligible to receive at the time of the involuntary separation from TSA or that begins to accrue within one month after such separation, excluding any Social Security retirement benefit; or

- (2) A benefit that meets the conditions above, except that the benefit begins to accrue more than one month after separation solely because the employee elected a later commencing date – delayed annuity.

D. Inefficiency: Unacceptable performance or conduct that leads to separation.

E. Involuntary Separation: A separation initiated by TSA against the employee's will and without his or her consent for reasons other than inefficiency, including a separation resulting from the expiration of a temporary (time-limited) appointment effected within three calendar days after separation from a qualifying appointment.

F. Non-qualifying Appointment: An appointment that does not convey eligibility for severance pay under this policy, including:

- (1) An appointment in which the employee has an intermittent work schedule;
- (2) A Presidential appointment;
- (3) An emergency appointment; or,
- (4) A temporary (time-limited) appointment except as described in Section 4G(3) of this directive.

G. Qualifying Appointment:

- (1) A permanent appointment;
- (2) A career or career conditional appointment held prior to coming to TSA; or,
- (3) A temporary (time-limited) appointment (including a series of temporary appointments by the same agency without any intervening break in service) that takes effect within three calendar days after the end of one of the qualifying appointments listed in Section 4G(1) and 4G(2) of this directive.

H. Reasonable Offer: The offer of a position that meets all the following conditions:

- (1) The offer is made in writing and provided either at the same time or after the employee is notified in writing that he/she will be involuntarily separated;
- (2) The employee meets established qualification and eligibility requirements; and,
- (3) The offered position is:
 - (a) In TSA or in an agency to which the employee is transferred with his or her function in a transfer of function between agencies;
 - (b) Within the employee's commuting area, unless geographic mobility is a condition of employment;

- (c) Of equal or greater appointment type (e.g., permanent or temporary) and with the same work schedule (part-time or full-time); and,
- (d) Not lower than two pay bands below the employee's current pay band, without consideration of pay retention under [TSA MD 1100.53-8, *Setting Pay After Appointment*](#).

NOTE: If the employee declines the offer, he or she will not be eligible for severance pay.

5. RESPONSIBILITIES:

A. The Office of Human Capital (OHC) is responsible for:

- (1) Establishing policy and procedures governing severance pay and administering the provisions of this directive and the accompanying Handbook;
- (2) Providing guidance and assistance to management officials and employees regarding severance pay eligibility;
- (3) Providing guidance regarding when severance pay is appropriate and delegating authority to management officials to authorize certain types of separation actions that could result in making an employee eligible for severance pay; and
- (4) Preparing an estimate of an employee's severance pay entitlement and providing this to an affected employee in writing prior to separation, and recomputing the severance pay, in accordance with this directive and the accompanying Handbook.

B. Management officials are responsible for:

- (1) Applying the contents of this directive and the accompanying Handbook when an employee is involuntarily separated for reasons other than inefficiency; and
- (2) Determining the appropriateness of severance pay for any separation due to medical inability to perform essential job functions.

C. Local Administrative Officers, Human Resources (HR) Specialists or other authorized staff members are responsible for consistently applying the policies and procedures found in this directive, and the accompanying Handbook, and making initial severance pay eligibility determinations for TSA employees based on the separation action.

D. An employee is responsible for furnishing information required to determine the appropriateness and/or amount of severance pay.

6. POLICY:

A. The following types of involuntary separations will qualify an eligible employee to receive severance pay:

- (1) Separation due to involuntary workforce reduction under the provisions of [HCM 351-2, *Transportation Security Officer \(TSO\) Involuntary Workforce Reduction Procedures*](#), or [HCM 351-3, *Involuntary Workforce Reduction \(IWR\) Procedures for Non-TSES, Non-TSO Positions*](#));
- (2) Separation based on medical inability to perform the essential duties of a TSA position (non-disciplinary adverse action for the efficiency of the service as authorized under [TSA MD 1100.75-3, *Addressing Unacceptable Performance or Conduct*](#)); and
- (3) Separation based on declination of a management-directed reassignment at any time prior to the effective date of the reassignment when the new position is located outside of the employee's current commuting area, as further defined in Section 6A(3)(a) and (b), as long as the employee is not subject to a mobility or reassignment requirement.
 - (a) When an employee's residence is within the standard commuting area for a work site, the work site is within the employee's commuting area. When an employee's residence is outside the standard commuting area for a proposed new work site, the employee's commuting area is deemed to include the expanded area surrounding the employee's residence and including all destinations that can be reached via a commuting trip that is not significantly more burdensome than the current commuting trip. This excludes a commuting trip from a residence where the employee planned to stay only temporarily until he or she could find a more permanent residence closer to his or her work site. For this purpose, a commuting trip to a new work site is considered significantly more burdensome if it would compel the employee to change his or her place of residence in order to continue employment, taking into account commuting time and distance, availability of public transportation, cost, and any other relevant factors.
 - (b) An employee's separation for declination of management-directed reassignment outside the commuting area is considered voluntary, and will not qualify for severance pay purposes, if the employee is subject to a mobility or reassignment requirement and the employee subsequently declines a reassignment outside his/her commuting area.

B. Eligibility for Severance Pay:

- (1) To be eligible for severance pay, an employee must:
 - (a) Be serving under a qualifying appointment;
 - (b) Have completed at least 12 months of continuous Federal civilian service, where not all 12 consecutive months must be within TSA; and,
 - (c) Be involuntarily separated from TSA under one of the conditions described in Section 6A.

(2) An employee is not eligible for severance pay if he or she:

- (a) Is serving under a non-qualifying appointment;
- (b) Has not completed at least 12 months of continuous Federal civilian service;

NOTE: An employee who otherwise meets the criteria for involuntary separation but lacks 12 months of continuous Federal civilian service will receive 16 hours of excused absence with less than three consecutive months of Federal civilian service, 24 hours of excused absence with three but less than six consecutive months of Federal civilian service, 32 hours of excused absence with six but less than nine consecutive months of Federal civilian service, or 40 hours of excused absence with nine but less than 12 consecutive months of Federal civilian service.

- (c) Declines a reasonable offer;
- (d) Is eligible upon separation for an immediate annuity from a Federal civilian retirement system or from the uniformed services; and,

NOTE: Such an employee is ineligible even if all or part of the annuity is offset by payments from a non-Federal retirement system the employee elected instead of Federal civilian retirement benefits or disability benefits received from the Department of Veterans Affairs. Additional questions should be directed to HR Access.

- (e) Is receiving compensation benefits under the provisions outlined in Title 5 United States Code §8101 et seq (Compensation and Work Injuries) unless:
 - (i) the compensation is being received concurrently with compensation benefits for wage loss; or
 - (ii) the compensation benefits are for wage loss as a surviving husband/ wife, or child in connection with claimed benefits associated with a Death Claim

NOTE: An employee may receive compensation for partial disability along with severance pay. The Worker's Compensation Program (WCP) Office within OHC can provide information concerning the specific benefits an employee may be receiving as a result of a work-related injury.

C. Criteria for Meeting the Requirement for 12 Months of Continuous Federal Civilian Service:

(1) The requirement for 12 months of continuous Federal civilian service is met if, on the date of separation, an employee has held one or more Federal civilian positions over a period of 12 months without a single break in service of more than three calendar days. The positions held must have been under:

- (a) One or more qualifying appointments; or

- (b) One or more non-qualifying temporary appointments that preceded the current qualifying appointment.
- (2) When a break in service during which an employee receives severance pay interrupts otherwise continuous Federal civilian service, the entire period is considered continuous service.
- (3) The period during which an employee receives continuation of pay or compensation for an injury on the job is considered continuous Federal civilian service.

D. Criteria for Meeting the Requirement for Involuntary Separation:

- (1) An employee who resigns because he or she expects to be involuntarily separated is considered to have been involuntarily separated if the employee resigns after receiving:
 - (a) Specific written notice that he or she will be involuntarily separated for reasons other than inefficiency, that would otherwise entitle the employee to severance pay; or
 - (b) A written notice which:
 - (i) is issued by an Assistant Administrator, higher-level TSA executive, or designee;
 - (ii) announces plans to abolish, or transfer to another commuting area, all positions in the organizational area by a particular date (no more than one (1) year after the date of the notice); and,
 - (iii) states that, for all employees in that organizational area, a resignation following receipt of the notice constitutes an involuntary separation for severance pay purposes.
- (2) Except for resignations under the conditions described above, all resignations are voluntary separations and do not qualify the employee for severance pay.
- (3) A resignation is not considered voluntary if the notice of involuntary separation is canceled before the resignation takes effect.

E. Separation for Medical Inability to Perform Essential Duties:

- (1) An employee who is separated for medical inability to perform the essential duties of his or her position may qualify for severance pay if the inability is caused by a medical condition and the employee meets the other eligibility provisions in this directive.
- (2) The determination of whether a medical condition is causing an inability to perform the essential duties of the position will be made by the TSA Chief Medical Officer (CMO) in consultation with management officials based on acceptable medical documentation provided by the employee. Other information may be necessary, which may include

documentation resulting from CMO-directed assessments or any other relevant medical documentation.

- (3) Management officials will prepare the removal letter in accordance with [TSA MD 1100.75-3](#). The charge cited shall be failure to perform the essential functions of the employee's position and such reason shall be reflected in the [Standard Form 52, Request for Personnel Action](#).

NOTE: The reason stated in the removal letter must be unrelated to performance or conduct problems.

7. **PROCEDURES:** See [TSA Handbook to TSA MD 1100.55-4, Severance Pay](#).
8. **APPROVAL AND EFFECTIVE DATE:** This policy is approved and effective the date of signature unless otherwise specified.

APPROVAL

Signed

August 31, 2011

Sean J. Byrne
Assistant Administrator for Human Capital

Date

EFFECTIVE

Date

Distribution: Assistant Secretary, Deputy Assistant Secretary, Assistant Administrators, Area Directors, Federal Security Directors, Supervisory Air Marshal in Charge, Business Management Offices, Administrative Officers, and HR Specialists

Point-of-Contact: Office of Human Capital, TSA-OHC-Policy@dhs.gov